

Wiretap, Blackmail Explored In Panama Canal Negotiations

9/17/77
By John M. Goshko

Washington Post Staff Writer

The Senate Intelligence Committee yesterday began investigating an allegation that the United States and Panama may have used wiretapping and blackmail during the Panama Canal treaty negotiations.

The allegation—described in one news report as a charge that the United States eavesdropped on Panamanian negotiators and was then blackmailed by Panama into making concessions after the bugging was discovered—was immediately denied by high-ranking officials of both governments.

Some of the denials were coupled with assertions that the allegation might represent an attempt by foes of the treaties to discredit them and block their approval by the Senate.

Among those issuing denials was the U.S. treaty negotiator, Ellsworth Bunker, who met with the committee yesterday in a lengthy closed session. As Bunker entered the meeting, reporters asked if there was any truth to the allegation as described in a report by CBS radio, and he replied: "None whatsoever."

However, the committee chairman, Sen. Daniel Inouye (D-Hawaii), said afterward that the panel wants to hear next week from CIA Director Stansfield Turner and Sol M. Linowitz, who was Bunker's co-negotiator.

Inouye refused to say what went on in yesterday's meeting with Bunker and "representatives of the intelligence community." He also declined to say whether the matters being looked into by the committee corresponded to the description in the CBS report.

Other committee sources said, though, that some senators who attended yesterday's session felt that the initial news reports were "overblown." But, the sources added, the senators also felt that some of the information uncovered yesterday requires further investigation.

In an interview with The Washing-

ton Post published on May 17, Panama's military ruler, Gen. Omar Torrijos, asserted that the telephones of the Panamanian embassy in Washington were bugged. However, Torrijos made his statement in a context that left unclear whether he was speaking from actual knowledge or merely making an assumption.

The question of electronic eavesdropping was revived yesterday morning when CBS broadcast its report that the Intelligence Committee had received "potentially explosive information" about wiretapping and blackmail in the treaty negotiations and had summoned Bunker to testify.

Committee sources said yesterday's meeting was scheduled by Inouye on Wednesday. The sources added that they did not know the origin of the allegation made to the committee and said the subject was being kept so secret that only one committee staff member, staff director William G. Miller, was allowed to attend yesterday's meeting.

At the State Department, spokesman Hodding Carter III said: "Insofar as the allegation that there has been some form of blackmail or attempt of blackmail or intimidation or similar methods to affect the treaty or treaty negotiations, I categorically deny that."

However, when Carter was asked whether any bugging had taken place, he replied, "I must take official refuge in the usual statement that we do not comment on matters which have to do with possible intelligence activity."

He coupled that response, though, with a long, involved statement to the effect that State Department officials involved in the negotiations had not reported to him any information containing intimations that electronic eavesdropping had figured in the treaty talks.

In Panama, a number of officials led by Foreign Minister Nicolas Gonzalez Revilla reacted to news of the Intelligence Committee's investigation by denying that their Washington embassy had been bugged or that they

had attempted to use blackmail to wring concessions from the United States.

These denials appeared, on the surface, to contradict the statement made by Torrijos in his May interview with Washington Post special correspondent Marlise Simons.

In the interview, Torrijos described how Panama and Washington had reached agreement on a key part of the treaties—its provision giving the United States the right to intervene against threats to the canal's neutrality.

At one point, he said, the talks were almost broken off because the U.S. negotiators had made demands unacceptable to Panama. When the Panamanian representatives in Washington called Torrijos to inform him of the situation, he said he instructed them to return home in 48 hours "if the United States did not stop fooling around."

Torrijos then added: "The Americans bug the telephone so they must have heard us. The next day they came up with these positive proposals."

Although it did not appear in the published version of the interview, Simons said yesterday she then asked Torrijos to be more explicit, and he replied: "Our telephones are tapped—the telephones of the embassy."

Asked yesterday about Torrijos's comments, Ricardo Bilonick, charge d'affaires of the Panamanian embassy here, said his government "had no knowledge of electronic eavesdropping directed against the embassy or the Panamanian negotiating team."

Bilonick suggested that Torrijos might have made his remarks to Simons "in jest" or "from a general presumption that such things do happen."

"All of us who are diplomats have a sort of presumption that our telephones are being tapped by the country in which we are stationed," Bilonick said. "In fact, we joke about it all the time—even when we're talking with people from the State Department."